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September 23, 2005

FDIC

San Francisco Regional Office  
Director John F. Carter  
25 Jessie Street at Ecker Square, Suite 2300  
San Francisco, CA 94105

RE: Comment letter on Wal Mart ILC application

Dear Mr. Carter,

I recommend denial of the application for an ILC charter to Wal Mart. The reasons for the denial are as follows:


1) Banking and Commerce should not be mixed!! The worlds largest retailer should not have the opportunity to control two segments of the economy. This could create serious conflicts of interest if Wal Mart has lending decision discretion on their potential competitors. This could also create a potential for using personal private information gained in the loan application process for retail marketing in Wal Mart's stores.

2) Wal Mart has a history of low balling competition to drive out competitors. This creation of a monopoly hurts consumers.

3) This application has the potential of serious systemic risk to the bank insurance fund. A loan office at every Wal Mart making poor credit decisions collectively could bring down the whole FDIC insurance fund. Our bank has paid premiums for many years to create the FDIC Insurance Fund. This is a strong fund and I do not want this fund to be potentially watered down by a mega retailer.

Thank You for the opportunity to comment.

Sincerely,

  
John G. Schmid  
Executive Vice President